

TO: Board Members

THROUGH: Kevin Patteson, Executive Administrator
Robert E. Mace, Deputy Executive Administrator, Water Science & Conservation

FROM: Cameron Turner, Team Lead, Agricultural Water Conservation

DATE: April 15, 2015

SUBJECT: Request for Applications, Fiscal Year 2015 Agricultural Water Conservation Monitoring Grants

ACTION REQUESTED

Authorize the Executive Administrator to publish a request for applications in the *Texas Register* for Fiscal Year 2015 Agricultural Water Conservation Grants in an amount not to exceed \$379,600 from the Agricultural Water Conservation Fund.

BACKGROUND

Senate Bill 1, Rider 25, passed during the regular session of the 83rd Texas Legislature, appropriated \$3,000,000 from General Revenue funding to be transferred to the Agricultural Water Conservation Fund for making Agricultural Water Conservation Monitoring grants to groundwater conservation districts with promulgated rules requiring metering. There is currently \$1,490,000 in unobligated Rider 25 funds remaining. Pending applications from eligible entities amount to \$1,160,400, resulting in \$329,600 still available from Rider 25 appropriations.

TWDB also has \$1,200,000 available each biennium through the existing Agricultural Water Conservation Grants Program, of which \$50,000 in Fiscal Year 2015 funding remains unobligated.

KEY ISSUES

Upon Board approval, the Executive Administrator will publish a request for applications in the *Texas Register* for Fiscal Year 2015 Agricultural Water Conservation Grants not to exceed \$379,600 from the Agricultural Water Conservation Fund. The request for applications will include a statement that the agency reserves the right to reject all or parts of applications if staff determines that the application(s) does not adequately meet the required criteria or if the funding available is less than the requested funding.

Our Mission

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

Board Members

Carlos Rubinstein, Chairman | Bech Bruun, Member | Kathleen Jackson, Member
Kevin Patteson, Executive Administrator

The request for applications will include two categories: (1) \$329,600 available for agricultural water conservation monitoring grants for groundwater conservation districts with promulgated rules requiring metering, and (2) \$50,000 available for agricultural water conservation monitoring grants for all other entities (Attachment A).

The grant funding provided by category (1) assists groundwater conservation districts with implementing established metering rules by reducing agricultural producers meter equipment costs by up to 50 percent. These projects support implementation of irrigation water management conservation strategies in the State Water Plan, assist with refining groundwater availability models, and aid the regional water planning process in development of the irrigation water use demand projections. Category (2) provides similar benefits to all eligible entities.

Staff will review and rank applications received by the deadline according to rules contained in 31 Texas Administrative Code Chapter 367, criteria and prioritization set forth in the request for applications (Attachment A), and application instructions (Attachment B). All TWDB contracts related to category (1) will include a provision stating that the district(s) shall maintain rules consistent with the legislative intent of Senate Bill 1, Rider 25 for the duration of the contract. Category (2) contracts will not contain such a provision.

Staff anticipates seeking Board approval for these projects in early August and time will be of the essence. The request for applications will mention the need to execute contracts by the end of the fiscal year. To facilitate prompt negotiation and execution of contracts, the application instructions will further include a link to the standard contract language for metering grant contracts and instruct applicants to note any issues or concerns in their applications.

RECOMMENDATION

The Executive Administrator recommends approval of this item.

This recommendation has been reviewed by legal counsel and complies with applicable statutes and Board rules.

Les Trobman, General Counsel

Attachment(s):

Attachment A:	Request for Applications for Agricultural Water Conservation Grants, Fiscal Year 2015
Attachment B:	Application Instructions for Agricultural Water Conservation Grants, Fiscal Year 2015

Attachment A

Request for Applications for Agricultural Water Conservation Grants, Fiscal Year 2015

The Texas Water Development Board (TWDB) solicits a request for applications for the state Fiscal Year 2015 Agricultural Water Conservation Grants. The total amount of the grants to be awarded under this request for applications by the TWDB shall not exceed \$379,600 from the Agricultural Water Conservation Fund. The rules governing the Agricultural Water Conservation Fund (31 Texas Administrative Code, Chapter 367) and application instructions are available upon request from TWDB.

Summary of the RFA

Solicitation Date (Opening): Date published in the *Texas Register*

Due Date (Closing): 12:00 p.m., Wednesday, June 3, 2015

Anticipated Award Date: August 2015

Estimated Total Funding: \$379,600

Eligible applicants: Groundwater conservation districts (categories 1 & 2) and other political subdivisions (category 2 only)

Contact: Cameron Turner, Agricultural Water Conservation Division, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231, Phone: (512) 936-6090, E-mail: cameron.turner@twdb.texas.gov

Agricultural Water Conservation Grant Categories

Applications must be in response to the following categories. Applications must be consistent with the format provided in the Agricultural Water Conservation Grant Application Instructions document. Please contact TWDB staff if you do not have a copy of this document or if you have any questions about the application process.

Category 1. Agricultural Water Conservation Monitoring – metering rules required

Funding in this category is available only to confirmed groundwater conservation districts that have promulgated rules requiring metering of groundwater withdrawals. Funding shall only be used to offset not more than half the cost of each metering device (as set forth in Senate Bill 1 – General Appropriations Act, Rider 25, passed during the regular session of the 83rd Texas Legislature in 2013).

Applications must identify an irrigation conservation strategy from the most recent applicable regional and/or state water plan. Applicants must justify the funding amount requested by

providing proof of the need for the number of meters. TWDB may prioritize funding based upon projects with the greatest needs (e.g. districts with the largest number of justifiable meters, recent increases in groundwater well drilling activities) or highest local cost-share match. Eligible expenses include up to 50 percent of the metering equipment costs. Following installation, the applicant must report water use data to TWDB annually for each piece of equipment installed for a minimum of five irrigation seasons. Applicants will be responsible for all other costs including, but not limited to, installation, maintenance, data collection, reporting services, and all other expenses for the duration of the contract. The annual data reports should include irrigated acreage, crop type, irrigation rate (inches per acre), total water use, county name, latitude/longitude coordinates (or state well grid location), and annual or effective rainfall totals (if available). Water savings estimates and an explanation of the water savings calculation methodology resulting from use of the equipment must be reported along with the annual water use data.

All TWDB contracts related to this item will include a provision stating that the district(s) shall maintain rules consistent with the legislative intent of Senate Bill 1, Rider 25 for the duration of the contract.

Category 2. Agricultural Water Conservation Monitoring – all eligible entities

Funding in this category is available to eligible political subdivisions. Funding shall only be used to offset not more than half the cost of each water use measurement device.

Applications must identify an irrigation conservation strategy from the most recent applicable regional and/or state water plan. Applicants must justify the funding amount requested by providing proof of the need for the number of water use measurement devices. TWDB may prioritize funding based upon projects with the greatest needs for the equipment or highest local cost-share match. Eligible expenses include up to 50 percent of eligible equipment costs. Following installation, the applicant must report water use data to TWDB annually for each piece of equipment installed for a minimum of five irrigation seasons. Applicants will be responsible for all other costs including, but not limited to, installation, maintenance, data collection, reporting services, and all other expenses for the duration of the contract. The annual data reports should include irrigated acreage, crop type, irrigation rate (inches per acre), total water use, county name, latitude/longitude coordinates (or state well grid location), and annual or effective rainfall totals (if available). Water savings estimates and an explanation of the water savings calculation methodology resulting from use of the equipment must be reported along with the annual water use data.

Grant Amount

Available funding includes up to \$379,600 authorized for Fiscal Year 2015 assistance for agricultural water conservation grants from the Agricultural Water Conservation Fund. TWDB will award funds through a statewide competitive grants process. Overhead is not an allowable

expense category eligible for reimbursement through TWDB Agricultural Water Conservation Grant funding. TWDB staff evaluates all proposals based upon the specific criteria set forth in this solicitation and application instructions.

Description of Applicant Criteria

The applicable scope of work, schedule, and contract amounts will be negotiated after the TWDB selects the most qualified applicant(s) and/or the desired project(s) for funding. Failure to arrive at mutually agreeable terms of a contract with the most qualified applicant shall constitute a rejection of the Board's offer and may result in subsequent negotiations with the next most qualified applicant. The TWDB reserves the right to reject parts of, any, or all applications if staff determines that the application(s) does not adequately meet the required criteria or if the funding available is less than the requested funding. TWDB must execute contracts for these projects by August 31, 2015. As such, applicants should review the standard metering contracts and include any concerns with the contract language in their application.

Application instructions and standard contract language available upon request from Cameron Turner, (512) 936-6090, cameron.turner@twdb.texas.gov, or online at <http://www.twdb.texas.gov>

Deadline for Submission of Applications

Applicants must submit six double-sided, double-spaced copies on recycled paper and one digital copy of completed applications with the TWDB on or before 12:00 p.m. on Wednesday, June 3, 2015. Applications can be directed either in person to David Carter, Texas Water Development Board, Stephen F. Austin Building, Room 610D, 1700 North Congress Avenue, Austin, Texas, 78701; or by mail to David Carter, Texas Water Development Board, P.O. Box 13231 – Capitol Station, Austin, Texas 78711-3231.

Attachment B

Application Instructions for Agricultural Water Conservation Grants, Fiscal Year 2015

The Texas Water Development Board's Agricultural Water Conservation Fund offers grants to state agencies or political subdivisions of the State of Texas for agricultural water conservation that addresses the Texas Water Development Board's topics published in the recent Request for Applications in the *Texas Register*.

When to apply: The Texas Water Development Board publishes Request for Applications in the *Texas Register* at least once each fiscal year. Any state agency(s) or political subdivision(s) interested in applying for an agricultural water conservation grant may contact the Contract Administration Division to be included on a mailing list that provides notification that a request has been published. Unsolicited applications can be filed at any time but will only be considered for funding if there is urgency for the activity to be done and is also dependent upon the availability of funds.

Who may apply: Groundwater conservation districts (categories 1 & 2) and other political subdivisions (category 2 only).

Application submittal: Applicants must submit six double-sided, double-spaced copies on recycled paper and one digital copy of a complete application to the following address on or before 12:00 p.m. on Wednesday, June 3, 2015:

David Carter
Texas Water Development Board
Contract Administration Division
P. O. Box 13231
1700 N. Congress Ave.
Austin, Texas 78711-3231

All applications **must be complete** and include general information, proposed project information, and written assurances, as outlined below. A list of required items has been provided in the following pages to assist you in completing the application.

If you have questions regarding preparation of an application, please call Cameron Turner, Team Lead for the Agricultural Water Conservation Program, at (512) 936-6090 or e-mail at cameron.turner@twdb.texas.gov.

Attachment B

Application Requirements

According to the Texas Administrative Code, Title 31, Part 10, Chapter 367, Section 367.5 Application Requirements

Please format your application to follow the requirements in the sequential order as shown below:

Section I. Administrative Requirements

1. Official name and address of the applicant
2. Constitutional and statutory authority creating the applicant and under which the applicant currently operates, and the Vendor ID number
3. Names and addresses of the individual or individuals with the legal authority to perform the acts of the entity, and title of position
4. An affidavit from the individual with the authority to act on behalf of the applicant, or a certified copy of a resolution adopted or minutes approved by the governing body with the authority to act on behalf of the applicant, which:
 - a. Identifies the amount that the applicant is requesting
 - b. Authorizes the submission of an application on behalf of the entity
 - c. Designates an authorized representative to submit the application and perform all reasonable and necessary action in support of the application and, if approved by the TWDB, to perform the terms and conditions of the award of money from the Fund.
5. Name, address, and title of the designated representative; also include phone number and email addresses
6. Map and description of the geographic area in which the applicant is authorized to conduct such actions as are necessary for the proposed conservation program or project
7. Description of the proposed program or project
8. Proposed budget for the program or project that identifies:
 - a. The total cost
 - b. The cost of each significant element of the program or project
 - c. Source of required local cost-share match
 - d. Other sources of funds, if any
9. The predicted water conservation and other benefits from the proposed program or project
10. Conservation plan and program of work or other sufficient description of the applicant's commitment to water conservation
11. Identification of a water conservation water management strategy identified in the most recent applicable regional water plan or state water plan that will be implemented by the use of the grant

Attachment B

Section II. Agricultural Water Conservation Program/Project Information

12. Explanation of why this activity is needed
13. A detailed scope of work with a time schedule for each task
14. A task and expense category budget (see attached examples)
15. A list of products (data, reports, plans, or other products) that the TWDB will receive as a result of this project
16. A description of monitoring procedures, estimated total acre-feet of water savings to be realized by implementation of this program/project, and a description of the methodology for calculating and reporting water savings
17. Qualifications and experience of staff directly related to this application
18. A description of the extent to which the project will include an education component directed at project participants, other area producers, and/or the public in general

Section III. Written Assurances

Written assurance of the following items:

19. Written evidence that supplemental funding is available, if applicable
20. Applications for meters and other water use measurement devices must include the political subdivision's justification for the cost-share amounts requested. Please include applicable rules explaining any irrigation water use metering requirements for category 1 applications.
21. Implementation of results identified through the application will be diligently pursued including:
 - a. Identification of and involvement of potential users and project participants
 - b. Implementation of water conservation water management strategy(s) identified in the most recent applicable regional water plan or state water plan.
22. If the application is for funding the construction of a conservation project to be considered by the board, an engineering feasibility report and/or an environmental assessment may be required according to rules established by the Texas Administrative Code Chapter 367 Sections 367.6–367.7 and Section 367.12.
23. To facilitate prompt contract negotiations and ensure timely contract execution by the end of the fiscal year, please note any issues or concerns with the standard metering contract language.

Section IV. Example Task and Expense Budgets

TASK BUDGET (EXAMPLE)

TASK	DESCRIPTION	AMOUNT
1	Purchase equipment	\$ 25,000.00
2	Install equipment	\$ 10,000.00
3	Monitor water use	\$ 7,500.00
4	Report results	\$ 7,500.00
TOTAL		\$50,000.00

EXPENSE BUDGET (EXAMPLE)

CATEGORY	LOCAL MATCH	TWDB AMOUNT
Salaries & Wages ¹	\$ 15,000.00	\$ 0.00
Fringe ²	\$ 2,000.00	\$ 0.00
Travel ³	\$ 3,000.00	\$ 0.00
Other Expenses ⁴	\$ 2,000.00	\$ 0.00
Equipment	\$ 12,500.00	\$ 12,500.00
Subcontract Services	\$ 3,000.00	\$ 0.00
TOTAL	\$37,500.00	\$12,500.00

¹ Salaries and Wages is defined as the cost of salaries of engineers, draftsmen, stenographers, surveyors, clerks, laborers, etc., for time directly chargeable to this contract.

² Fringe is defined as the cost of social security contributions, unemployment, excise, and payroll taxes, workers' compensation insurance, retirement benefits, medical and insurance benefits, sick leave, vacation, and holiday pay applicable thereto.

³ Travel is limited to the maximum amounts authorized for state employees by the General Appropriations Act, Tex. Leg. Regular Session, 2011, Article IX, Part 5, as amended or superseded

⁴ Other Expenses is defined to include expendable supplies, communications, reproduction, and, postage directly chargeable to this CONTRACT.

Deadline and Submission of Application

Six double-sided, double-spaced copies on recycled paper and one digital copy of a complete agricultural water conservation grant application, including the required attachments must be filed with the TWDB on or before 12:00 p.m. on Wednesday, June 3, 2015.

Applications can be delivered in person to:

David Carter
Texas Water Development Board
Room 610D, Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

Applications can also be mailed to:

David Carter
Texas Water Development Board
P.O. Box 13231 - Capitol Station
Austin, Texas 78711-3231

Requests for technical information may be directed to:

Cameron Turner
Agricultural Water Conservation
Texas Water Development Board
P.O. Box 13231
Austin, Texas 78711-3231
E-mail: cameron.turner@twdb.texas.gov
Phone: (512) 936-6090

Selection Process

Prior to technical review, each application will be screened for completeness and compliance with the provisions of this notice. Incomplete applications and those that do not meet the provisions of this notice will be eliminated from competition. Applications meeting the provisions of this notice will be scored by a Technical Review Panel. To be given priority consideration, the project should demonstrate effectiveness, utility, affordability, and usability in the field.

Review of Applications

31 TAC Sections 367.8 and 367.9 require that in reviewing an application for an agricultural water conservation grant, the TWDB shall consider the following administrative and technical criteria:

- Commitment of the applicant to agricultural water conservation,
- Benefits that will be gained by making the grant,

- Degree to which the applicant has used other available resources to finance the use for which the application is being made, and
- Willingness and ability of the applicant to raise revenue and provide matching funds.

Prior to approving a grant, the TWDB must find that the grant funds will:

- Supplement rather than replace money of the applicant,
- Serve the public interest. TWDB shall include a finding that the grant will assist in the implementation of a water conservation water management strategy identified in the most recent applicable approved regional water plan or state water plan, and
- Further water conservation in the state.

A technical review panel will evaluate the applications using the following criteria:

- Sound and practical approach for implementing project as per RFA guidelines,
- Application has clear identified tasks, products, and reporting timelines,
- Project staff has the technical expertise needed to carry out the project, and
- Proposed costs estimate (budget) is reasonable and adequately justified.

Funding and Partial Funding Provisions

TWDB reserves the right to reject all proposals and make no awards under this announcement. In addition, TWDB reserves the right to partially fund proposals by funding discrete activities, portions, or phases of a proposed project. If TWDB decides to partially fund a proposal, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal, or portion thereof, was evaluated or selected for award, and that maintains the integrity of the competition and the evaluation/selection process.

Negotiations with Selected Applicants

The applicable scope of work, deliverables, tasks timelines, and contract amount will be negotiated after the TWDB selects the most qualified applicants. Failure to arrive at mutually agreeable terms of a contract with the most qualified applicant shall constitute a rejection of the Board's offer and may result in subsequent negotiations with the next most qualified applicant. In the event that acceptable applications are not submitted, or if the funding available is less than the requested funding, the TWDB retains the right to not award contract funds.